

CITY AUDITOR'S REPORT

MONDAY, OCTOBER 25, 2010

2010 ADMISSION FEE/TAX

WE RECEIVED CHECKS IN THE AMOUNT OF \$27,633.46 FROM THE READING PHILLIES FOR SEPTEMBER'S ADMISSION FEES/TAXES. THE SOVEREIGN CENTER & PERFORMING ARTS CENTER EVENT FEES TOTALLED \$15,256.76 FOR SEPTEMBER SALES. EVENTS INCLUDED IN THESE RECEIPTS ARE FROM PERFORMANCES BY SESAME STREET LIVE, WWE, AMERICA, AND JOHN PRINE, JUST TO NAME A FEW. ALSO THIS MONTH, WE RECEIVED \$6,286.93 FROM THE READING ROYALS HOCKEY CLUB FOR SEPTEMBER'S SALES.

THE 2010 BUDGETED REVENUE IS \$450,000. THE YEAR TO DATE REVENUE THROUGH SEPTEMBER IS \$397,582.41.

THE FOLLOWING CHARTS LIST ANNUALLY (2006-2010) THE ADMISSION FEES BY SPORT/VENUE:

ADMISSION FEE/TAX	2006	2007	2008	2009	SEPT. 2010
READING PHILS -1 ST ENERGY STADIUM	\$103,055.23	\$97,078.39	\$85,828.62	\$94,788.30	\$89,370.30
READING ROYALS - SOVEREIGN CENTER	\$141,145.36	\$91,274.98	\$100,129.25	\$55,054.89	\$51,227.79
OTHER- SOVEREIGN CENTER	\$190,392.71	\$213,868.85	\$236,337.38	\$232,589.23	\$197,131.19
PERFORMING ARTS CENTER	\$147,755.40	\$133,717.69	\$132,528.70	\$99,602.64	\$59,853.13
TOTAL REVENUE	\$582,348.70	\$535,939.91	\$554,823.95	\$482,035.06	\$397,582.41
BUDGETED REVENUE	\$625,000.00	\$600,000.00	\$550,000.00	\$600,000.00	\$450,000.00
OVER/UNDER BUDGET	-\$42,651.30	-\$64,060.09	\$4,823.95	-\$117,964.94	

REAL ESTATE TRANSFER TAX – 1/1/2006 TO 09/30/2010

THIS IS AN UPDATE ON THE REAL ESTATE TRANSFER TAX RECEIPTS SINCE I LAST REPORTED IN MY OCTOBER 11, 2010 REPORT. THIS TAX WAS 1% ('02), 1.5% ('03), 2% ('04-'05), AND 3.5% FOR ('06-'10).

THE FOLLOWING CHART ILLUSTRATES ACTUAL DATA FROM 01/2006 - 09/2010. IN SEPTEMBER 2010 THERE WERE 114 REAL ESTATE TRANSFER TRANSACTIONS, OF WHICH 83 WERE TAXABLE TRANSACTIONS. THE CITY'S PROCEEDS IN SEPTEMBER TOTALLED \$128,921.23. THE 2010 BUDGET PROJECTS REVENUE FROM THIS SOURCE AS \$2,500,000.

	2010	2009	2008	2007	2006
January	159,017.30	148,961.51	652,118.37	571,588.55	565,766.25
February	106,687.67	142,169.66	228,471.03	490,135.40	495,734.21
March	229,645.70	185,351.64	249,460.68	436,044.99	655,032.94
April	393,268.60	258,946.66	546,640.28	535,330.62	650,388.98
May	384,978.30	242,328.73	392,206.10	855,745.40	684,972.83
June	349,449.25	204,198.52	352,496.09	641,669.28	530,414.38
July	222,286.60	182,852.57	267,767.04	663,865.08	578,620.09
August	185,037.44	189,488.42	371,358.83	808,641.08	726,966.54
September	128,921.23	301,455.52	279,643.32	399,709.39	717,483.85
October	????????	273,838.88	236,179.13	484,759.56	690,448.00
November	????????	214,016.65	268,455.35	539,733.18	542,137.78
December	????????	232,908.94	158,499.81	288,401.49	610,938.94
JAN.-SEPT.	2,159,292.09	1,855,753.23	3,340,161.74	5,402,729.79	5,605,380.07
Entire Year	????????	2,576,517.70	4,003,296.03	6,715,624.02	7,448,904.79
Budget	2,500,000.00	5,000,000.00	7,215,868.00	7,215,868.00	4,760,000.00
Over Budget	????????	<2,423,482.30 >	<3,212,571.97 >	<500,243.98>	2,688,904.79

THE FOLLOWING CHARTS LISTS THE TOTAL NUMBER OF MONTHLY REAL ESTATE TRANSFER TRANSACTION MINUS NON-TAXABLE TRANSACTIONS TO ARRIVE AT TAXABLE TRANSACTIONS. FOR EXAMPLE, IN JANUARY 2010 THERE WERE 145 TRANSACTIONS MINUS 54 NON-TAXABLE TRANSACTIONS, WHICH LEAVES 91 TAXABLE TRANSACTIONS.

	2010	2009	2008	2007	2006
J	145-54=91	123-55=68	213-67=146	318-59=259	397-48=349
F	103-37=66	137-44=93	190-51=139	242-50=192	457-79=378
M	212-67=145	167-47=120	174-47=127	285-56=229	445-78=367
A	193-59=134	163-54=109	282-62=220	340-68=272	367-66=301
M	208-73=135	169-40=129	225-46=179	282-50=232	421-81=340
J	185-51=134	171-60=111	213-56=157	307-52=255	371-66=305
J	149-44=105	161-62=99	201-48=153	273-70=203	318-57=261
A	161-55=106	141-48=93	195-53=142	277-62=215	319-79=240
S	114-31=83	137-39=98	183-50=133	247-45=202	259-59=200
O		219-67=152	184-64=120	268-46=222	336-58=278
N		175-65=110	156-55=101	211-45=166	326-65=261
D		163-44=119	134-39=95	213-51=162	276-55=221
T		1926-625=1301	2350-638=1712	3263-654=2609	4292-791=3501

REAL ESTATE TRANSFER TAX -\$1 MILLION + PROPERTIES 2010

THE BELOW MENTIONED PROPERTIES WERE SOLD DURING JANUARY-SEPTEMBER 2010. EACH OF THESE PROPERTIES WAS SOLD FOR IN EXCESS OF \$1,000,000. ALL OF THESE PROPERTIES ARE APARTMENTS/COMMERCIAL/INDUSTRIAL PROPERTIES AS OPPOSED TO RESIDENTIAL PROPERTIES. THESE FIVE (5) LISTED PROPERTIES WERE SOLD FOR \$13,470,260 WHICH BROUGHT THE CITY \$471,459 IN REAL ESTATE TRANSFER TAXES.

DATE	PROPERTY ADDRESS	SALE PRICE	RATE 3.5%	TAX AMOUNT
04/01/10	300 S 2 ND St.	\$1,100,000	3.5%	\$38,500
04/21/10	777 Court St.	\$3,650,000	3.5%	\$127,750
05/27/10	216 Poplar	\$4,000,000	3.5%	\$140,000
06/10/10	1156 Clarion	\$3,440,260	3.5%	\$120,409
08/05/10	930 Lancaster Ave	\$1,280,000	3.5%	\$44,800
	Sub-total	\$13,470,260	3.5%	\$471,459

PUBLIC UTILITY REALTY TAX 1997-2010

ON 10/07/10, WE RECEIVED \$40,780.68 FOR THE STATE PUBLIC UTILITY REALTY TAX FROM THE COMMONWEALTH OF PA. STARTING IN 1999, THERE WAS A CHANGE IN THE FORMULA TO CALCULATE THE AMOUNTS PAYABLE TO MUNICIPALITIES FOR THE STATE PUBLIC UTILITY REALTY TAX. AS THE FOLLOWING CHART REVEALS, WE HAVE EXPERIENCED A MAJOR REDUCTION IN THIS REVENUE SOURCE SINCE 1997. THE ESTIMATED REVENUE FROM THIS SOURCE IN 2011 IS EXPECTED TO BE \$45,000.00.

PUBLIC UTILITY TAX	BUDGET	ACTUAL
1997	291,000	277,867
1998	291,000	267,198
1999	290,000	205,284
2000	170,000	80,921
2001	60,000	41,693
2002	80,000	35,924
2003	42,000	39,294
2004	36,000	29,027
2005	40,000	42,151
2006	40,000	51,455
2007	51,000	48,885
2008	51,000	45,976
2009	46,000	43,342
2010	46,000	40,781